

BY ELECTRONIC TRANSMISSION

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February 9, 2006

Ms. Jean A. Webb
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

OFFICE OF THE SECRETARIAT

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Re: **Amendments to Rules 8.10(h), 8.12(f) and 8.14(a)(1) and
Appendices I, II and V and Resolution No. 1(IV)(4)(D)(v)-
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to Rules 8.10(h), 8.12(f) and 8.14, Coffee "C" Appendices I, II and IV and Resolution No. 1(IV)(4)(D)(v), attached as Exhibit A.

Rule 8.14 and Coffee "C" Appendices I, II and IV

The amendments to Rule 8.14 and Appendices I, II and IV add Barcelona as a delivery point applying a differential of minus 125 points to the port (New York is the basis). Using economic data comparing freight, handling and other costs among already designated ports and Barcelona, the Exchange determined the differential to be applied. This differential is identical to the one for delivery in Miami, New Orleans, Houston, Antwerp and Hamburg/Bremen.

Rule 8.12(f)

Coffee Rule 8.12(f) requires that the Exchange Invoice be calculated so that the Receiver is allowed one (1) Business Day of free storage and charged for any remaining prepaid storage. The purpose of this provision was to give (i) the Deliverer time to advise the warehouse of the change in ownership and (ii) the warehouse time to update its records. Since eCOPS® provides immediate electronic title transfer and immediately records the title transfer on the appropriate

records, there is no need to give the Deliverer time to notify the warehouse and the warehouse time to update its records. Therefore, the amendment to Rule 8.12(f) eliminates the one day of

-2-

free storage given to the Receiver. Paragraph (f) will continue to provide that the Receiver be charged for any remaining prepaid storage.

Rule 8.10(h) and Resolution No. 1(IV)(4)(D)(v)

Coffee "C" Resolution No. 1(IV)(4)(D)(v) provides that if the owner does not want the warehouse to rebag the coffee, he must send written notice to the warehouse and the Exchange, and the warehouse must indicate in eCOPS that the bags are in need of rebagging ("rebagging indicator"). The placement of the rebagging indicator on the Lot of coffee prevents the Lot from being noticed for delivery. The original reason for this provision was to allow the owner to use the coffee commercially and not be liable for the cost of rebagging the Lot in order to make it deliverable under Exchange rules. However, since the bags are not being repaired, coffee is spilling out and onto the warehouse floor, which creates a dangerous condition in the warehouse. In addition, the coffee remains part of certificated stock although it is undeliverable. Therefore, the amendments to Rule 8.10(h) and Resolution No. 1(IV)(4)(D)(v) provide that a Lot not authorized for rebagging will lose its Certificate of Grade if, after sixty (60) days from the date of written notice to the owner, the rebagging indicator remains on the Lot.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange's Board of Governors approved the amendments at its meeting on February 8, 2006. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments to Rule 8.14 and Appendices I, II and IV will go into effect with the listing of the March 2008 contract; the amendment to Rule 8.12(f) will go into effect for the March 2006 expiration; and the amendments to Rule 8.10(h) and Resolution No. 1(IV)(4)(D)(v) will go into effect on February 10, 2006, as follows: (i) for rebagging notices issued on or after February 10th, the coffee lots will lose their certification sixty (60) days after filing with the Commission as the procedure will require, (ii) for rebagging notices issued prior to February 10th, the owners of noticed coffee will have sixty (60) days to authorize the rebagging.

If you have any questions or need further information, please contact me at 212-748-4084.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
CFTC, Division of Market Oversight

Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

Rule 8.14. Storage and Packaging

(a) In addition to other applicable terms and conditions set forth in the Rules, each Lot of coffee shall, in order to be deliverable under a Coffee "C" Futures Contract, satisfy the following requirements at the time of delivery:

(1) it shall be stored in a duly licensed warehouse in the Port of New York District, the Port of New Orleans, the Port of Miami, the Port of Antwerp, [ø] the Port of Hamburg/Bremen, the Port of Barcelona or the Port of Houston or such other port as may be added from time to time upon the recommendation of the Coffee Committee and the two-thirds vote of the Board;

[REMAINDER OF RULE UNCHANGED]

COFFEE APPENDICES

APPENDIX I

Procedures for Sampling Coffee

* * *

(f) Procedure.

* * *

(6) All samples must be delivered to the Exchange within two (2) Business Days following receipt of the Sampling Order (or three (3) Business Days in the case of coffee stored in Antwerp, Hamburg/Bremen, Barcelona, Houston, New Orleans or Miami), or within such longer period as allowed by the Exchange for good cause shown.

[REMAINDER OF APPENDIX UNCHANGED]

APPENDIX II

Procedures for Grading Coffee and Issuance of Certificates of Grade

* * *

(j) Certificate of Grade.

The Exchange shall issue a Certificate of Grade with respect to the Chop of coffee covered by the Sampling Order, provided that

* * *

(4) if the Sampling Order indicates that the coffee submitted thereunder has been imported from ports other than the port of origin:

* * *

(ii) such Person shall furnish the Exchange with full particulars of the ports at which the coffee was located and the ships in which the coffee was transported from the time the coffee was shipped from the port of origin to its arrival in the Port of New York District, the Port of Antwerp,

EXHIBIT A

the Port of Hamburg/Bremen, the Port of Barcelona, the Port of Houston, the Port of New Orleans, or the Port of Miami accompanied by a consular invoice or a copy of an I.C.O. (International Coffee Organization) Certificate of Origin (Form O, R OR T), or a bill of lading sufficient to identify the original port of shipment of the coffee. This information will be retained by the Exchange and disclosed upon request, but the Exchange will not ascertain the accuracy or validity of such information.

[REMAINDER OF APPENDIX UNCHANGED]

APPENDIX IV

Coffee "C" Differentials

The differentials for coffees delivered under the Coffee "C" Futures Contract are as follows:

Difference in Value Between Delivery Ports

New York Port District	Basis
New Orleans Port District	Minus 125 pts.
Miami Port District	Minus 125 pts.
Antwerp Port District	Minus 125 pts.
Hamburg/Bremen Port District	Minus 125 pts.
Houston Port District.....	Minus 125 pts.
<u>Barcelona Port District.....</u>	<u>Minus 125 pts.</u>

Rule 8.12. Delivery and Payment

* * *

(f) The Exchange Invoice shall be calculated so that the Receiver is [~~allowed one (1) Business Day of free storage and is~~] charged for any remaining prepaid storage.

[REMAINDER OF RULE UNCHANGED]

Rule 8.10. Certificate of Grade

* * *

(h) A Certificate of Grade shall automatically become invalid if, after sixty (60) days from the date of the warehouse notice to the owner, the rebagging indicator remains on the Lot(s).

~~(h)~~ (i) A Certificate of Grade which states that the coffee meets Exchange standards

~~(i)~~ (j) The Exchange, at any time and in its sole discretion, may order that coffee for which a Certificate of Grade has been issued

~~(j)~~ (k) If coffee covered by a Certificate of Grade is delivered on a contract other than an Exchange contract,

No. 1. Warehouse Procedures and Recordkeeping Requirements for the Storage of Exchange Coffee

RESOLVED, THAT the following are the minimum acceptable standards and procedures to be followed by Exchange licensed coffee warehouses in connection with the storage of Exchange-certified Coffee.

* * *

IV. Stored Coffee

* * *

4.(A) Except with respect to the prompt repair of torn bags, bags from which beans are sifting or bags which are in peril of coffee beans being spilled therefrom, prior to undertaking any other maintenance of coffee bags in a Licensed Store, including the rebagging of coffee, the warehouse shall notify the owner, in writing, of the maintenance to be performed and provide the owner five (5) Business Days from receipt of the notice within which to respond.

* * *

(D) Notwithstanding the subparagraphs (A)-(C) of this paragraph 4, if in accordance with subparagraph (A), a warehouse notifies an owner that the bags are in need of rebagging, the following procedures shall apply:

* * *

(v) If the owner does not want the warehouse to rebag the coffee but would rather have the rebagging indicator remaining on such Lots in eCOPS, within the five (5) Business Days from the receipt of the notice, the owner must send written notice to the warehouse and the Exchange that the owner does not want the coffee rebagged and that the rebagging indicator should remain on the Lots, provided, however, that, if after sixty (60) days from the date of the warehouse notice to the owner the rebagging indicator remains on the Lots, the Lots will lose its Certificate of Grade.

[REMAINDER OF RESOLUTION UNCHANGED]